

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1647 - HB 1555**

March 3, 2014

**SUMMARY OF BILL:** Adds immediate methamphetamine precursors to Schedule VII of controlled substances. Prohibits anyone from obtaining any immediate methamphetamine precursor without a valid prescription.

Requires the Board of Pharmacy to collect and maintain data on all immediate methamphetamine precursors in addition to the controlled substances in schedules II, III, and IV.

Requires pharmacists to report to the database any prescription filled for a product containing an immediate methamphetamine precursor.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$42,000/Recurring/Board of Pharmacy**

**Other Fiscal Impact – The fiscal impact of the proposed legislation cannot be reasonably quantified due to multiple indeterminable variables**

**Assumptions:**

- According to the Department of Correction and local law enforcement agencies, the proposed legislation will not significantly impact state or local incarceration costs.
- Under the proposed legislation, pseudoephedrine medications—e.g., Zyrtec D, Clarinex D, Mucinex D, Bronch-eze, Bronkaid—may only be purchased with a valid prescription.
- Some individuals may continue to get a prescription from their doctors twice a month. Other individuals may switch medications to avoid getting a prescription, or they may choose not to take any medication.
- There are too many speculative factors to estimate any increase or reduction in sales and use tax revenues.
- If the proposed legislation is successful, it will result in fewer methamphetamine labs in Tennessee. Fewer meth labs will result in a reduction of expenditures for clean-up costs.
- Due to multiple unknown variables, including the fluctuations in sales and use tax, the time period in which any fluctuation may occur, the decrease in methamphetamine labs and the extent in which any decrease may occur, any impact to the State or local governments cannot be reasonably determined.

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- According to the Department of Health, the proposed legislation will greatly increase the number of reports sent to the department for dispensed immediate methamphetamine precursors. The Board of Pharmacy will need to hire a licensing technician.
- The starting salary for a licensing technician is \$22,272 (\$1,856 monthly pay x 12 months). The licensing technician would require recurring costs of an administrative cost allocation of \$7,900, leased office space of \$4,100, and landscaping costs of \$2,700.
- The total recurring cost for a licensing technician is \$42,023.29 [\$22,272 salary + (\$22,272 x 15.03%) benefits + (\$22,272 x 7.65%) FICA + \$7,900 + \$4,100 + \$2,700].
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had balances of \$929,407 in FY11-12 and \$296,813 in FY12-13 with a cumulative balance of \$1,226,220 as of June 30, 2013.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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